

Assembly Bill No. 1407

CHAPTER 606

An act to amend Sections 30914 and 30914.5 of the Streets and Highways Code, and to amend Sections 5205.5 and 21655.9 of the Vehicle Code, relating to transportation.

[Approved by Governor September 29, 2006. Filed with
Secretary of State September 29, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1407, Lieber. State-owned Bay Area toll bridges: HOV lanes.

(1) Existing law specifies the respective powers and duties of the Bay Area Toll Authority and the Department of Transportation relative to the operation of the state-owned Bay Area toll bridges and the allocation of toll bridge revenues. Existing law establishes an expenditure plan that includes a project list for the toll revenues derived from increasing the bridge tolls from \$2 to \$3.

This bill would modify certain of the duties required of local and regional agencies relative to that expenditure plan, thereby imposing a state-mandated local program.

(2) Existing law provides for the Department of Transportation to designate certain lanes for the exclusive use of buses and high-occupancy vehicles (HOVs), which lanes may also be used by certain low-emission and hybrid vehicles not carrying the requisite number of passengers otherwise required for use of an HOV lane if the vehicles display a valid identifier issued by the Department of Motor Vehicles until January 1, 2008. Existing law authorizes, but does not require, the Bay Area Toll Authority to grant toll-free or reduced-rate passage on the state-owned Bay Area toll bridges to buses and specified carpool vehicles. Existing law requires the same toll-free or reduced-rate passage to be extended to certain low-emission vehicles and hybrid vehicles displaying the identifier issued by the Department of Motor Vehicles, subject to various conditions. Under these conditions, residents of the 9-county Bay Area with hybrid vehicles are first required to enroll in the automatic vehicle identification and payment system, known as FasTrak, before they may apply to DMV for an identifier and before they may travel in any HOV lane without having the requisite number of passengers otherwise required for use of an HOV lane. To the extent that residents of the 9-county Bay Area with hybrid vehicles travel on a Bay Area state-owned toll bridge without the requisite number of passengers required for toll-free or reduced-rate passage, those persons are required to pay the regular applicable toll through the FasTrak, system. Residents of other counties with hybrid

vehicles are not required to first enroll in FasTrak, in order to apply to DMV for an identifier.

This bill would instead require residents of the 9-county Bay Area with hybrid vehicles to obtain and maintain an active FasTrak, account in order to apply to DMV for an identifier and before they may travel in any HOV lane without having the requisite number of passengers otherwise required for use of an HOV lane.

This bill would also require a local authority, until January 1, 2008, if it authorizes or permits exclusive or preferential use of highway lanes or highway access ramps for high-occupancy vehicles, to also extend the use of those lanes or ramps to vehicles that have been issued distinctive decals, labels, or other identifiers because the vehicles meet specified conditions for low-emission vehicles. This bill would require the local authorities to suspend the high-occupancy vehicle lane access privilege during periods of peak congestion to the above-described vehicles if a periodic review of lane performance discloses certain factors.

(3) This bill would incorporate additional changes in Section 21655.9 of the Vehicle Code, proposed by AB 2600, to become operative only if AB 2600 and this bill are both chaptered and become effective on or before January 1, 2007, and this bill is chaptered last.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The people of the State of California do enact as follows:

SECTION 1. Section 30914 of the Streets and Highways Code is amended to read:

30914. (a) In addition to any other authorized expenditures of toll bridge revenues, the following major projects may be funded from toll revenues of all bridges:

(1) Dumbarton Bridge: Improvement of the western approaches from Route 101 if affected local governments are involved in the planning.

(2) San Mateo-Hayward Bridge and approaches: Widening of the bridge to six lanes, construction of rail transit capital improvements on the bridge structure, and improvements to the Route 92/Route 880 interchange.

(3) Construction of West Grand connector or an alternate project designed to provide comparable benefit by reducing vehicular traffic congestion on the eastern approaches to the San Francisco-Oakland Bay Bridge. Affected local governments shall be involved in the planning.

(4) Not less than 90 percent of the revenues determined by the authority as derived from the toll increase approved in 1988 for class I vehicles on the San Francisco-Oakland Bay Bridge authorized by Section 30917 shall be used exclusively for rail transit capital improvements designed to reduce vehicular traffic congestion on that bridge. This amount shall be calculated as 21 percent of the revenue generated each year by the collection of the base toll at the level established by the 1988 increase on the San Francisco-Oakland Bay Bridge.

(b) Notwithstanding any funding request for the transbay bus terminal pursuant to Section 31015, the Metropolitan Transportation Commission shall allocate toll bridge revenues in an annual amount not to exceed three million dollars (\$3,000,000), plus a 3.5-percent annual increase, to the department or to the Transbay Joint Powers Authority after the department transfers the title of the Transbay Terminal Building to that entity, for operation and maintenance expenditures. This allocation shall be payable from funds transferred by the Bay Area Toll Authority. This transfer of funds is subordinate to any obligations of the authority, now or hereafter existing, having a statutory or first priority lien against the toll bridge revenues. The first annual 3.5-percent increase shall be made on July 1, 2004. The transfer is further subject to annual certification by the department or the Transbay Joint Powers Authority that the total Transbay Terminal Building operating revenue is insufficient to pay the cost of operation and maintenance without the requested funding.

(c) If the voters approve a toll increase in 2004 pursuant to Section 30921, the authority shall, consistent with the provisions of subdivisions (d) and (f), fund the projects described in this subdivision and in subdivision (d) that shall collectively be known as the Regional Traffic Relief Plan by bonding or transfers to the Metropolitan Transportation Commission. These projects have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, from toll revenues of all bridges:

(1) BART/MUNI Connection at Embarcadero and Civic Center Stations. Provide direct access from the BART platform to the MUNI platform at the above stations and equip new fare gates that are TransLink ready. Three million dollars (\$3,000,000). The project sponsor is BART.

(2) MUNI Metro Third Street Light Rail Line. Provide funding for the surface and light rail transit and maintenance facility to support MUNI Metro Third Street Light Rail service connecting to Caltrain stations and the E-Line waterfront line. Thirty million dollars (\$30,000,000). The project sponsor is MUNI.

(3) MUNI Waterfront Historic Streetcar Expansion. Provide funding to rehabilitate historic streetcars and construct trackage and terminal facilities to support service from the Caltrain Terminal, the Transbay Terminal, and the Ferry Building, and connecting the Fisherman's Wharf and northern waterfront. Ten million dollars (\$10,000,000). The project sponsor is MUNI.

(4) East to West Bay Commuter Rail Service over the Dumbarton Rail Bridge. Provide funding for the necessary track and station improvements and rolling stock to interconnect the BART and Capitol Corridor at Union City with Caltrain service over the Dumbarton Rail Bridge, and interconnect and provide track improvements for the ACE line with the same Caltrain service at Centerville. Provide a new station at Sun Microsystems in Menlo Park. One hundred thirty-five million dollars (\$135,000,000). The project is jointly sponsored by the San Mateo County Transportation Authority, Capitol Corridor, the Alameda County Congestion Management Agency, and the Alameda County Transportation Improvement Authority.

(5) Vallejo Station. Construct intermodal transportation hub for bus and ferry service, including parking structure, at site of Vallejo's current ferry terminal. Twenty-eight million dollars (\$28,000,000). The project sponsor is the City of Vallejo.

(6) Solano County Express Bus Intermodal Facilities. Provide competitive grant fund source, to be administered by the Metropolitan Transportation Commission. Eligible projects are Curtola Park and Ride, Benicia Intermodal Facility, Fairfield Transportation Center and Vacaville Intermodal Station. Priority to be given to projects that are fully funded, ready for construction, and serving transit service that operates primarily on existing or fully funded high-occupancy vehicle lanes. Twenty million dollars (\$20,000,000). The project sponsor is Solano Transportation Authority.

(7) Solano County Corridor Improvements near Interstate 80/Interstate 680 Interchange. Provide funding for improved mobility in corridor based on recommendations of joint study conducted by the Department of Transportation and the Solano Transportation Authority. Cost-effective transit infrastructure investment or service identified in the study shall be considered a high priority. One hundred million dollars (\$100,000,000). The project sponsor is Solano Transportation Authority.

(8) Interstate 80: Eastbound High-Occupancy Vehicle (HOV) Lane Extension from Route 4 to Carquinez Bridge. Construct HOV-lane extension. Fifty million dollars (\$50,000,000). The project sponsor is the Department of Transportation.

(9) Richmond Parkway Transit Center. Construct parking structure and associated improvements to expand bus capacity. Sixteen million dollars (\$16,000,000). The project sponsor is Alameda-Contra Costa Transit District, in coordination with West Contra Costa Transportation Advisory Committee, Western Contra Costa Transit Authority, City of Richmond, and the Department of Transportation.

(10) Sonoma-Marin Area Rail Transit District (SMART) Extension to Larkspur or San Quentin. Extend rail line from San Rafael to a ferry terminal at Larkspur or San Quentin. Thirty-five million dollars (\$35,000,000). Up to five million dollars (\$5,000,000) may be used to study, in collaboration with the Water Transit Authority, the potential use

of San Quentin property as an intermodal water transit terminal. The project sponsor is SMART.

(11) Greenbrae Interchange/Larkspur Ferry Access Improvements. Provide enhanced regional and local access around the Greenbrae Interchange to reduce traffic congestion and provide multimodal access to the Richmond-San Rafael Bridge and Larkspur Ferry Terminal by constructing a new full service diamond interchange at Wornum Drive south of the Greenbrae Interchange, extending a multiuse pathway from the new interchange at Wornum Drive to East Sir Francis Drake Boulevard and the Cal Park Hill rail right-of-way, adding a new lane to East Sir Francis Drake Boulevard and rehabilitating the Cal Park Hill Rail Tunnel and right-of-way approaches for bicycle and pedestrian access to connect the San Rafael Transit Center with the Larkspur Ferry Terminal. Sixty-five million dollars (\$65,000,000). The project sponsor is Marin County Congestion Management Agency.

(12) Direct High-Occupancy Vehicle (HOV) lane connector from Interstate 680 to the Pleasant Hill or Walnut Creek BART stations or in close proximity to either station or as an extension of the southbound Interstate 680 High-Occupancy Vehicle Lane through the Interstate 680/State Highway Route 4 interchange from North Main in Walnut Creek to Livorna Road. The County Connection shall utilize up to one million dollars (\$1,000,000) of the funds described in this paragraph to develop options and recommendations for providing express bus service on the Interstate 680 High-Occupancy Vehicle Lane south of the Benicia Bridge in order to connect to BART. Upon completion of the plan, the Contra Costa Transportation Authority shall adopt a preferred alternative provided by the County Connection plan for future funding. Following adoption of the preferred alternative, the remaining funds may be expended either to fund the preferred alternative or to extend the high-occupancy vehicle lane as described in this paragraph. Fifteen million dollars (\$15,000,000). The project is sponsored by the Contra Costa Transportation Authority.

(13) Rail Extension to East Contra Costa/E-BART. Extend BART from Pittsburg/Bay Point Station to Byron in East Contra Costa County. Ninety-six million dollars (\$96,000,000). Project funds may only be used if the project is in compliance with adopted BART policies with respect to appropriate land use zoning in vicinity of proposed stations. The project is jointly sponsored by BART and Contra Costa Transportation Authority.

(14) Capitol Corridor Improvements in Interstate 80/Interstate 680 Corridor. Fund track and station improvements, including the Suisun Third Main Track and new Fairfield Station. Twenty-five million dollars (\$25,000,000). The project sponsor is Capitol Corridor Joint Powers Authority and the Solano Transportation Authority.

(15) Central Contra Costa Bay Area Rapid Transit (BART) Crossover. Add new track before Pleasant Hill BART Station to permit BART trains to cross to return track towards San Francisco. Twenty-five million dollars (\$25,000,000). The project sponsor is BART.

(16) Benicia-Martinez Bridge: New Span. Provide partial funding for completion of new five-lane span between Benicia and Martinez to significantly increase capacity in the I-680 corridor. Fifty million dollars (\$50,000,000). The project sponsor is the Bay Area Toll Authority.

(17) Regional Express Bus North. Competitive grant program for bus service in Richmond-San Rafael Bridge, Carquinez, Benicia-Martinez and Antioch Bridge corridors. Provide funding for park and ride lots, infrastructure improvements, and rolling stock. Eligible recipients include Golden Gate Bridge Highway and Transportation District, Vallejo Transit, Napa VINE, Fairfield-Suisun Transit, Western Contra Costa Transit Authority, Eastern Contra Costa Transit Authority, and Central Contra Costa Transit Authority. The Golden Gate Bridge Highway and Transportation District shall receive a minimum of one million six hundred thousand dollars (\$1,600,000). Napa VINE shall receive a minimum of two million four hundred thousand dollars (\$2,400,000). Twenty million dollars (\$20,000,000). The project sponsor is the Metropolitan Transportation Commission.

(18) TransLink. Integrate the Bay Area's regional smart card technology, TransLink, with operator fare collection equipment and expand system to new transit services. Twenty-two million dollars (\$22,000,000). The project sponsor is the Metropolitan Transportation Commission.

(19) Real-Time Transit Information. Provide a competitive grant program for transit operators for assistance with implementation of high-technology systems to provide real-time transit information to riders at transit stops or via telephone, wireless, or Internet communication. Priority shall be given to projects identified in the commission's connectivity plan adopted pursuant to subdivision (d) of Section 30914.5. Twenty million dollars (\$20,000,000). The funds shall be administered by the Metropolitan Transportation Commission.

(20) Safe Routes to Transit: Plan and construct bicycle and pedestrian access improvements in close proximity to transit facilities. Priority shall be given to those projects that best provide access to regional transit services. Twenty-two million five hundred thousand dollars (\$22,500,000). City Car Share shall receive two million five hundred thousand dollars (\$2,500,000) to expand its program within approximately one-quarter mile of transbay regional transit terminals or stations. The City Car Share project is sponsored by City Car Share and the Safe Routes to Transit project is jointly sponsored by the East Bay Bicycle Coalition and the Transportation and Land Use Coalition. These sponsors must identify a public agency cosponsor for purposes of specific project fund allocations.

(21) BART Tube Seismic Strengthening. Add seismic capacity to existing BART tube connecting the east bay with San Francisco. One hundred forty-three million dollars (\$143,000,000). The project sponsor is BART.

(22) Transbay Terminal/Downtown Caltrain Extension. A new Transbay Terminal at First and Mission Streets in San Francisco providing

added capacity for transbay, regional, local, and intercity bus services, the extension of Caltrain rail services into the terminal, and accommodation of a future high-speed passenger rail line to the terminal and eventual rail connection to the east bay. Eligible expenses include project planning, design and engineering, construction of a new terminal and its associated ramps and tunnels, demolition of existing structures, design and development of a temporary terminal, property and right-of-way acquisitions required for the project, and associated project-related administrative expenses. A bus- and train-ready terminal facility, including purchase and acquisition of necessary rights-of-way for the terminal, ramps, and rail extension, is the first priority for toll funds for the Transbay Terminal/Downtown Caltrain Extension Project. The temporary terminal operation shall not exceed five years. One hundred fifty million dollars (\$150,000,000). The project sponsor is the Transbay Joint Powers Authority.

(23) Oakland Airport Connector. New transit connection to link BART, Capitol Corridor and AC Transit with Oakland Airport. The Port of Oakland shall provide a full funding plan for the connector. Thirty million dollars (\$30,000,000). The project sponsors are the Port of Oakland and BART.

(24) AC Transit Enhanced Bus-Phase 1 on Telegraph Avenue, International Boulevard, and East 14th Street (Berkeley-Oakland-San Leandro). Develop enhanced bus service on these corridors, including bus bulbs, signal prioritization, new buses, and other improvements. Priority of investment shall improve the AC connection to BART on these corridors. Sixty-five million dollars (\$65,000,000). The project sponsor is AC Transit.

(25) Commute Ferry Service for Alameda/Oakland/Harbor Bay. Purchase two vessels for ferry services between Alameda and Oakland areas and San Francisco. Second vessel funds to be released upon demonstration of appropriate terminal locations, new transit-oriented development, adequate parking, and sufficient landside feeder connections to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements.

(26) Commute Ferry Service for Berkeley/Albany. Purchase two vessels for ferry services between the Berkeley/Albany Terminal and San Francisco. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements. If the Water Transit Authority does not have an entitled

terminal site within the Berkeley/Albany catchment area by 2010 that meets its requirements, the funds described in this paragraph and the operating funds described in paragraph (7) of subdivision (d) shall be transferred to another site in the East Bay. The City of Richmond shall be given first priority to receive this transfer of funds if it has met the planning milestones identified in its special study developed pursuant to paragraph (28).

(27) Commute Ferry Service for South San Francisco. Purchase two vessels for ferry services to the Peninsula. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements.

(28) Water Transit Facility Improvements, Spare Vessels, and Environmental Review Costs. Provide two backup vessels for water transit services, expand berthing capacity at the Port of San Francisco, and expand environmental studies and design for eligible locations. Forty-eight million dollars (\$48,000,000). The project sponsor is Water Transit Authority. Up to one million dollars (\$1,000,000) of the funds described in this paragraph shall be made available for the Water Transit Authority to study accelerating development and other milestones that would potentially increase ridership at the City of Richmond ferry terminal.

(29) Regional Express Bus Service for San Mateo, Dumbarton, and Bay Bridge Corridors. Expand park and ride lots, improve HOV access, construct ramp improvements, and purchase rolling stock. Twenty-two million dollars (\$22,000,000). The project sponsors are AC Transit and Alameda County Congestion Management Agency.

(30) I-880 North Safety Improvements. Reconfigure various ramps on I-880 and provide appropriate mitigations between 29th Avenue and 16th Avenue. Ten million dollars (\$10,000,000). The project sponsors are Alameda County Congestion Management Agency, City of Oakland, and the Department of Transportation.

(31) BART Warm Springs Extension. Extension of the existing BART system from Fremont to Warm Springs in southern Alameda County. Ninety-five million dollars (\$95,000,000). Up to ten million dollars (\$10,000,000) shall be used for grade separation work in the City of Fremont necessary to extend BART. The project would facilitate a future rail service extension to the Silicon Valley. The project sponsor is BART.

(32) I-580 (Tri Valley) Rapid Transit Corridor Improvements. Provide rail or High-Occupancy Vehicle lane direct connector to Dublin BART and other improvements on I-580 in Alameda County for use by express buses. Sixty-five million dollars (\$65,000,000). The project sponsor is Alameda County Congestion Management Agency.

(33) Regional Rail Master Plan. Provide planning funds for integrated regional rail study pursuant to subdivision (f) of Section 30914.5. Six

million five hundred thousand dollars (\$6,500,000). The project sponsors are Caltrain and BART.

(34) Integrated Fare Structure Program. Provide planning funds for the development of zonal monthly transit passes pursuant to subdivision (e) of Section 30914.5. One million five hundred thousand dollars (\$1,500,000). The project sponsor is the Translink Consortium.

(35) Transit Commuter Benefits Promotion. Marketing program to promote tax-saving opportunities for employers and employees as specified in Section 132(f)(3) or 162(a) of the Internal Revenue Code. Goal is to increase the participation rate of employers offering employees a tax-free benefit to commute to work by transit. The project sponsor is the Metropolitan Transportation Commission. Five million dollars (\$5,000,000).

(36) Caldecott Tunnel Improvements. Provide funds to plan and construct a fourth bore at the Caldecott Tunnel between Contra Costa and Alameda Counties. The fourth bore will be a two-lane bore with a shoulder or shoulders north of the current three bores. The County Connection shall study all feasible alternatives to increase transit capacity in the westbound corridor of State Highway Route 24 between State Highway Route 680 and the Caldecott Tunnel, including the study of the use of an express lane, high-occupancy vehicle lane, and an auxiliary lane. The cost of the study shall not exceed five hundred thousand dollars (\$500,000) and shall be completed not later than January 15, 2006. Fifty million five hundred thousand dollars (\$50,500,000). The project sponsor is the Contra Costa Transportation Authority.

(d) Not more than 38 percent of the revenues generated from the toll increase shall be made available annually for the purpose of providing operating assistance for transit services as set forth in the authority's annual budget resolution. The funds shall be made available to the provider of the transit services subject to the performance measures described in Section 30914.5. If the funds cannot be obligated for operating assistance consistent with the performance measures, these funds shall be obligated for other operations consistent with this chapter.

Except for operating programs that do not have planned funding increases and subject to the 38-percent limit on total operating cost funding in any single year, following the first year of scheduled operations, an escalation factor, not to exceed 1.5 percent per year, shall be added to the operating cost funding through fiscal year 2015–16, to partially offset increased operating costs. The escalation factors shall be contained in the operating agreements described in Section 30914.5. Subject to the limitations of this paragraph, the Metropolitan Transportation Commission may annually fund the following operating programs as another component of the Regional Traffic Relief Plan:

(1) Golden Gate Express Bus Service over the Richmond Bridge (Route 40). Two million one hundred thousand dollars (\$2,100,000).

(2) Napa Vine Service terminating at the Vallejo Intermodal Terminal. Three hundred ninety thousand dollars (\$390,000).

(3) Regional Express Bus North Pool serving the Carquinez and Benicia Bridge Corridors. Three million four hundred thousand dollars (\$3,400,000).

(4) Regional Express Bus South Pool serving the Bay Bridge, San Mateo Bridge, and Dumbarton Bridge Corridors. Six million five hundred thousand dollars (\$6,500,000).

(5) Dumbarton Rail. Five million five hundred thousand dollars (\$5,500,000).

(6) Water Transit Authority, Alameda/Oakland/Harbor Bay. A portion of the operating funds may be dedicated to landside transit operations. Six million four hundred thousand dollars (\$6,400,000).

(7) Water Transit Authority, Berkeley/Albany. A portion of the operating funds may be dedicated to landside transit operations. Three million two hundred thousand dollars (\$3,200,000).

(8) Water Transit Authority, South San Francisco. A portion of the operating funds may be dedicated to landside operations. Three million dollars (\$3,000,000).

(9) Vallejo Ferry. Two million seven hundred thousand dollars (\$2,700,000).

(10) Owl Bus Service on BART Corridor. One million eight hundred thousand dollars (\$1,800,000).

(11) MUNI Metro Third Street Light Rail Line. Two million five hundred thousand dollars (\$2,500,000) without escalation.

(12) AC Transit Enhanced Bus Service on Telegraph Avenue, International Boulevard, and East 14th Street in Berkeley-Oakland-San Leandro. Three million dollars (\$3,000,000) without escalation.

(13) TransLink, three-year operating program. Twenty million dollars (\$20,000,000) without escalation.

(14) Water Transit Authority, regional planning and operations. Three million dollars (\$3,000,000) without escalation.

(e) For all projects authorized under subdivision (c), the project sponsor shall submit an initial project report to the Metropolitan Transportation Commission before July 1, 2004. This report shall include all information required to describe the project in detail, including the status of any environmental documents relevant to the project, additional funds required to fully fund the project, the amount, if any, of funds expended to date, and a summary of any impediments to the completion of the project. This report, or an updated report, shall include a detailed financial plan and shall notify the commission if the project sponsor will request toll revenue within the subsequent 12 months. The project sponsor shall update this report as needed or requested by the commission. No funds shall be allocated by the commission for any project authorized by subdivision (c) until the project sponsor submits the initial project report, and the report is reviewed and approved by the commission.

If multiple project sponsors are listed for projects listed in subdivision (c), the commission shall identify a lead sponsor in coordination with all identified sponsors, for purposes of allocating funds. For any projects

authorized under subdivision (c), the commission shall have the option of requiring a memorandum of understanding between itself and the project sponsor or sponsors that shall include any specific requirements that must be met prior to the allocation of funds provided under subdivision (c).

(f) The Metropolitan Transportation Commission shall annually assess the status of programs and projects and shall allocate a portion of funding made available under Section 30921 or 30958 for public information and advertising to support the services and projects identified in subdivisions (c) and (d). If a program or project identified in subdivision (c) has cost savings after completion, taking into account construction costs and an estimate of future settlement claims, or cannot be completed or cannot continue due to delivery or financing obstacles making the completion or continuation of the program or project unrealistic, the commission shall consult with the program or project sponsor. After consulting with the sponsor, the commission shall hold a public hearing concerning the program or project. After the hearing, the commission may vote to modify the program or the project's scope, decrease its level of funding, or reassign some or all of the funds to another project within the same bridge corridor. If a program or project identified in subdivision (c) is to be implemented with other funds not derived from tolls, the commission shall follow the same consultation and hearing process described above and may vote thereafter to reassign the funds to another project consistent with the intent of this chapter. If an operating program or project as identified in subdivision (d) cannot achieve its performance objectives described in subdivision (a) of Section 30914.5 or cannot continue due to delivery or financing obstacles making the completion or continuation of the program or project unrealistic, the commission shall consult with the program or the project sponsor. After consulting with the sponsor, the commission shall hold a public hearing concerning the program or project. After the hearing, the commission may vote to modify the program or the project's scope, decrease its level of funding, or to reassign some or all of the funds to another or an additional regional transit program or project within the same corridor. If a program or project does not meet the required performance measures, the commission shall give the sponsor a time certain to achieve the performance measures before reassigning its funding.

(g) If the voters approve a toll increase pursuant to Section 30921, the authority shall within 24 months of the election date, include the projects in a long-range plan that are consistent with the commission's findings required by this section and Section 30914.5. The authority shall update its long-range plan as required to maintain its viability as a strategic plan for funding projects authorized by this section. The authority shall by January 1, 2007, submit its updated long-range plan to the transportation policy committee of each house of the Legislature for review.

(h) If the voters approve a toll increase pursuant to Section 30921, and if additional funds from this toll increase are available following the funding obligations of subdivisions (c) and (d), the authority may set aside

a reserve to fund future rolling stock replacement to enhance the sustainability of the services enumerated in subdivision (d). The authority shall, by January 1, 2020, submit a 20-year toll bridge expenditure plan to the Legislature for adoption. This expenditure plan shall have, as its highest priority, replacement of transit vehicles purchased pursuant to subdivision (c).

SEC. 2. Section 30914.5 of the Streets and Highways Code is amended to read:

30914.5. (a) Prior to the allocation of revenue for transit operating assistance under subdivision (d) of Section 30914, the Metropolitan Transportation Commission shall adopt performance measures related to fare-box recovery, ridership, and other performance measures as needed. The performance measures shall be developed in consultation with the affected transit operators and the commission's advisory council.

(b) The Metropolitan Transportation Commission shall execute an operating agreement with the sponsors of the projects described in subdivision (d) of Section 30914. This agreement shall include, at a minimum, a fully funded operating plan that conforms to and is consistent with the adopted performance measures. The agreement shall also include a schedule of projected fare revenues or other operating revenues to indicate that the service is viable in the near-term and is expected to meet the adopted performance measures in future years. For any individual project sponsor, this operating agreement may include additional requirements, as determined by the commission, to be met prior to the allocation of transit assistance under subdivision (d) of Section 30914.

(c) Prior to the annual allocation of transit operating assistance funds by the Metropolitan Transportation Commission pursuant to subdivision (d) of Section 30914, the Metropolitan Transportation Commission shall conduct, or shall require the sponsoring agency to conduct, an independent audit that contains audited financial information, including an opinion on the status and cost of the project and its compliance with the approved performance measures. Notwithstanding this requirement, each operator shall be given a one-year trial period to operate new service. In the first year of new service, the sponsor shall develop a reporting and accounting structure for the performance measures. Commencing with the third operating year, sponsors shall be subject to the approved performance measures.

(d) The Metropolitan Transportation Commission shall adopt a regional transit connectivity plan by May 1, 2006. The connectivity plan shall be incorporated into the commission's Transit Coordination Implementation Plan pursuant to Section 66516.5 of the Government Code. The connectivity plan shall require operators to comply with the plan utilizing commission authority pursuant to Section 66516.5 of the Government Code. The commission shall consult with the Partnership Transit Coordination Council in developing a plan that identifies and evaluates opportunities for improving transit connectivity and shall include, but not be limited to, the following components:

(1) A network of key transit hubs connecting regional rapid transit services to one another, and to feeder transit services. “Regional rapid transit” means long-haul transit service that crosses county lines, and operates mostly in dedicated rights-of-way, including freeway high-occupancy vehicle lanes, crossing a bridge, or on the bay. The identified transit hubs shall operate either as a timed transfer network or as pulsed hub connections, providing regularly scheduled connections between two or more transit lines.

(2) Physical infrastructure and right-of-way improvements necessary to improve system reliability and connections at transit hubs. Physical infrastructure improvements may include, but are not limited to, improved rail-to-rail transfer facilities, including cross-platform transfers, and intermodal transit improvements that facilitate rail-to-bus, rail-to-ferry, ferry-to-ferry, ferry-to-bus, and bus-to-bus transfers. Capital improvements identified in the plan shall be eligible for funding in the commission’s regional transportation plan.

(3) Regional standards and procedures to ensure maximum coordination of schedule connections to minimize transfer times between transit lines at key transit hubs, including, but not limited to, the following:

(A) Policies and procedures for improved fare collection.

(B) Enhanced trip-planning services, including Internet-based programs, telephone information systems, and printed schedules.

(C) Enhanced schedule coordination through the implementation of real-time transit-vehicle location systems that facilitate communication between systems and result in improved timed transfers between routes.

(D) Performance measures and data collection to monitor the performance of the connectivity plan.

The connectivity plan shall focus on, but not be limited to, feeder transit lines connecting to regional rapid transit services, and the connection of regional rapid transit services to one another. The connectivity plan shall be adopted following a Metropolitan Transportation Commission public hearing at least 60 days prior to adoption. The commission shall adopt performance measures and collect appropriate data to monitor the performance of the connectivity plan. The plan shall be evaluated every three years by the commission as part of the update to its regional transportation plan. No agency shall be eligible to receive funds under this section unless the agency is a participant operator in the commission’s regional transit connectivity plan.

The provisions of this subdivision shall only be effective if the voters approve the toll increase as set forth in Section 30921, and the expenditures incurred by the Metropolitan Transportation Commission up to five hundred thousand dollars (\$500,000) that are related to the requirements of this subdivision, including any study, shall be reimbursed from toll revenues identified in paragraph (33) of subdivision (c) of Section 30914.

(e) The TransLink Consortium, per the TransLink Interagency Participation Agreement, shall, by July 1, 2008, develop a plan for an

integrated fare program covering all regional rapid transit trips funded in full or in part by this section. “Regional rapid transit” means long-haul transit services that cross county lines, and operate mostly in dedicated rights-of-way, including freeway high-occupancy vehicle lanes, crossing a bridge, or on the bay. Interregional rail services, originating or terminating from outside the Bay Area, shall not be considered regional rapid transit. The purpose of the integrated fare program is to encourage greater use of the region’s transit network by making it easier and less costly for transit riders whose regular commute involves multizonal travel and may involve the transfer between two or more transit agencies, including regional-to-regional and regional-to-local transfers. The integrated fare program shall include a zonal fare system for the sole purpose of creating a monthly zonal pass (monthly pass), allowing for unlimited or discounted fares for transit riders making a minimum number of monthly transit trips between two or more zones. The number of minimum trips shall be established by the plan. The integrated fare program shall not apply to fare structures that are not purchased on a monthly basis. For the purposes of these zonal fares, geographic zones shall be created in the Bay Area. To the extent practical, zone boundaries for overlapping systems shall be in the same places and shall correspond to the boundaries of the local transit service areas. A regional rapid transit zone may cover more than one local service area, or may subdivide an existing local service area. The monthly pass shall be created in at least the following two forms:

(1) For the use of interzonal regional rapid transit trips without local transit discounts.

(2) For the use of interzonal regional rapid transit trips with local transit discounts. The plan may recommend the elimination of existing transit pass arrangements to simplify the marketing of the monthly pass. The integrated fare program shall establish a monitoring program to evaluate the impact of the integrated fare program on the operating finances of the participating agencies. The integrated fare program shall be adjusted as necessary to ensure that the program does not jeopardize the viability of local or regional rapid transit routes impacted by the program, and to the extent feasible, provide an equitable revenue-sharing arrangement among the participating agencies. This subdivision shall only be effective if the voters approve the toll increase as set forth in Section 30921, and any expenditures related to the implementation of this subdivision incurred by the TransLink Consortium shall be reimbursed by toll revenues designated in paragraph (34) of subdivision (c) of Section 30914.

(f) The Metropolitan Transportation Commission (MTC) shall, by September 29, 2007, adopt a Bay Area Regional Rail Plan (plan) for the development of passenger rail services in the San Francisco Bay Area over the short, medium, and long term. Up to six million dollars (\$6,000,000) of the funds described in paragraph (33) of subdivision (c) of Section 30914 may be expended by MTC, the San Francisco Bay Area Rapid Transit District (BART), and the Peninsula Corridor Joint Powers Board (Caltrain) for the plan. A project management team comprised of staff from MTC,

Caltrain, the High-Speed Rail Authority, and BART shall provide day-to-day project management of the technical development of the plan. The plan shall formulate strategies to integrate passenger rail systems, improve interfaces with connecting services, expand the regional rapid transit network, and coordinate investments with transit-supportive land use. The plan shall be directed by a steering committee consisting of appointees from the Department of Transportation (Caltrans), BART, Caltrain, the National Railroad Passenger Corporation (Amtrak), the Capitol Corridor Joint Powers Authority, the Altamont Commuter Express, the High-Speed Rail Authority, MTC, the Sonoma-Marín Area Rail Transit District (SMART), the Santa Clara Valley Transportation Authority, the Solano Transportation Authority, the Association of Bay Area Governments, the Transbay Joint Powers Authority, the Port of Oakland, the Alameda County Congestion Management Agency, the Contra Costa Transportation Authority, the Transportation Authority of Marin, the Napa County Transportation Planning Agency, the San Francisco County Transportation Authority, the San Mateo City-County Association of Governments, the San Francisco Municipal Transportation Agency, and the owners of standard gauge rail. Under direction from the steering committee and with input from Bay Area transit agencies, MTC shall act as the fiscal agent for the study and oversee consultant contracts on behalf of the project management team. The plan proposals shall be evaluated using performance criteria, including, but not limited to, transit-supportive land use and access, ridership, cost-effectiveness, regional network connectivity, and capital and operating financial stability. Additional performance criteria shall be developed as necessary. The plan shall include, but not be limited to, all of the following:

- (1) Identification of issues in connectivity, access, capacity, operations, and cost-effectiveness.
- (2) Identification of opportunities to enhance rail connectivity and to maximize passenger convenience when transferring between systems, including the study of the feasibility and construction of an intermodal transfer hub at Niles (Shinn Street) Junction.
- (3) Recommendation of improvements to the interface with shuttles, buses, other rail systems, and other feeder modes.
- (4) Identification of potential impacts on capacity constraints and operations on existing passenger and freight carriers.
- (5) Identification of bottlenecks where added capacity could cost-effectively increase performance.
- (6) Recommendation of potential efficiency improvements through economies of scale, such as through joint vehicle procurement and maintenance facilities.
- (7) Recommendation of strategies to acquire right-of-way and station property to preserve future service options.
- (8) Identification of potential capital and operating funding sources for proposed actions.

(9) Identification of locations where the presence of passenger rail could stimulate redevelopment and thereby direct growth to the urban core.

(10) Recommendation of technology-appropriate service expansion in specific corridors. Technologies to be considered include conventional rail transit modes, bus rapid transit, and emerging rail technologies. Identify phasing strategies for the implementation of rail services where appropriate.

(11) Examination of how recommendations would integrate with proposed high-speed rail to the Central Valley and southern California. The intent of this element of the study is to help reduce the number of alternatives that the High-Speed Rail Authority would need to evaluate as part of any follow-on environmental assessment of future high-speed rail system access to the Bay Area. Selection of a preferred alignment for the Bay Area shall remain the responsibility of the High-Speed Rail Authority pursuant to Section 185032 of the Public Utilities Code.

(12) Recommendation of a governance strategy to implement and operate future regional rail services.

This subdivision shall only be effective if the voters approve the toll increase as set forth in Section 30921. Any expenditures incurred by the Metropolitan Transportation Commission or the project sponsors identified in paragraph (33) of subdivision (c) of Section 30914 related to the requirements of this subdivision, including any study and administration, shall be appropriate charges against toll revenue to be reimbursed from toll revenues.

SEC. 3. Section 5205.5 of the Vehicle Code is amended to read:

5205.5. (a) For the purposes of implementing Section 21655.9, the department shall make available for issuance, for a fee determined by the department to be sufficient to reimburse the department for the actual costs incurred pursuant to this section, distinctive decals, labels, and other identifiers that clearly distinguish the following vehicles from other vehicles:

(1) A vehicle that meets California's super ultra-low emission vehicle (SULEV) standard for exhaust emissions and the federal inherently low-emission vehicle (ILEV) evaporative emission standard, as defined in Part 88 (commencing with Section 88.101-94) of Title 40 of the Code of Federal Regulations.

(2) A vehicle that was produced during the 2004 model-year or earlier and meets California ultra-low emission vehicle (ULEV) standard for exhaust emissions and the federal ILEV standard.

(3) A hybrid vehicle or an alternative fuel vehicle that meets California's advanced technology partial zero-emission vehicle (AT PZEV) standard for criteria pollutant emissions and has a 45 miles per gallon or greater fuel economy highway rating.

(4) A hybrid vehicle that was produced during the 2004 model-year or earlier and has a 45 miles per gallon or greater fuel economy highway rating, and meets California's ultra-low emission vehicle (ULEV), super

ultra-low emission vehicle (SULEV), or partial zero-emission vehicle (PZEV) standards.

(b) Neither an owner of a hybrid vehicle that meets the AT PZEV standard, with the exception of a vehicle that meets the federal ILEV standard, nor an owner of a hybrid vehicle described in paragraph (4) of subdivision (a), is entitled to a decal, label, or other identifier pursuant to this section unless, and until, the federal government acts to approve the use of high-occupancy vehicle lanes by vehicles of the types identified in paragraph (3) or (4) of subdivision (a), regardless of the number of occupants.

(c) The department shall include a summary of the provisions of this section on each motor vehicle registration renewal notice, or on a separate insert, if space is available and the summary can be included without incurring additional printing or postage costs.

(d) The Department of Transportation shall remove individual high-occupancy vehicle (HOV) lanes, or portions of those lanes, during periods of peak congestion from the access provisions provided in subdivision (a), following a finding by the Department of Transportation as follows:

(1) The lane, or portion thereof, exceeds a level of service C, as discussed in subdivision (b) of Section 65089 of the Government Code.

(2) The operation or projected operation of the vehicles described in subdivision (a) in these lanes, or portions thereof, will significantly increase congestion.

The finding also shall demonstrate the infeasibility of alleviating the congestion by other means, including, but not limited to, reducing the use of the lane by noneligible vehicles, or further increasing vehicle occupancy.

(e) The State Air Resources Board shall publish and maintain a listing of all vehicles eligible for participation in the programs described in this section. The board shall provide that listing to the department.

(f) For purposes of subdivision (a), the Department of the California Highway Patrol and the department, in consultation with the Department of Transportation, shall design and specify the placement of the decal, label, or other identifier on the vehicle. Each decal, label, or other identifier issued for a vehicle shall display a unique number, which number shall be printed on, or affixed to, the vehicle registration.

(g) (1) For purposes of subdivision (a), the department shall issue no more than 75,000 distinctive decals, labels, or other identifiers that clearly distinguish the vehicles specified in paragraphs (3) and (4) of subdivision (a).

(2) The department shall notify the Department of Transportation immediately after the date on which the department has issued 50,000 decals, labels, and other identifiers under this section for the vehicles described in paragraphs (3) and (4) of subdivision (a).

(3) The Department of Transportation shall determine whether significant high-occupancy vehicle lane breakdown has occurred throughout the state, in accordance with the following timeline:

(A) For lanes that are nearing capacity, the Department of Transportation shall make the determination not later than 90 days after the date provided by the department under paragraph (2).

(B) For lanes that are not nearing capacity, the Department of Transportation shall make the determination not later than 180 days after the date provided by the department under paragraph (2).

(4) In making the determination that significant high-occupancy vehicle lane breakdown has occurred, the Department of Transportation shall consider the following factors in the HOV lane:

(A) Reduction in level of service.

(B) Sustained stop-and-go conditions.

(C) Slower than average speed than the adjacent mixed-flow lanes.

(D) Consistent increase in travel time.

(5) After making the determinations pursuant to subparagraphs (A) and (B) of paragraph (3), if the Department of Transportation determines that significant high-occupancy vehicle lane breakdown has occurred throughout the state, the Department of Transportation shall immediately notify the department of that determination, and the department, on the date of receiving that notification, shall discontinue issuing the decals, labels, or other identifiers for the vehicles described in paragraphs (3) and (4) of subdivision (a).

(h) If the Metropolitan Transportation Commission, serving as the Bay Area Toll Authority, grants toll-free and reduced-rate passage on toll bridges under its jurisdiction to any vehicle pursuant to Section 30102.5 of the Streets and Highways Code, it shall also grant the same toll-free and reduced-rate passage to a vehicle displaying an identifier issued by the department pursuant to paragraph (1) or (2) of subdivision (a) and to a vehicle displaying a valid identifier issued by the department pursuant to paragraph (3) or (4) of subdivision (a) if the vehicle is registered to an address outside of the region identified in Section 66502 of the Government Code.

(i) An owner of a vehicle specified in paragraph (3) or (4) of subdivision (a) whose vehicle is registered to an address in the region identified in Section 66502 of the Government Code and who seeks a vehicle identifier under subdivision (a) in order to have access to a high-occupancy vehicle lane within the jurisdiction of the Bay Area Toll Authority shall do both of the following:

(1) Obtain and maintain an active account to operate within the automatic vehicle identification system described in Section 27565 of the Streets and Highways Code and shall submit to the department a form, approved by the department and issued by the Bay Area Toll Authority, that contains the vehicle owner's name, the license plate number and vehicle identification number of the vehicle, the vehicle make and year model, and the automatic vehicle identification system account number, as

a condition to obtaining a vehicle identifier pursuant to subdivision (a) that allows for the use of that vehicle in high-occupancy vehicle lanes regardless of the number of occupants.

(2) Be eligible for toll-free or reduced-rate passage on toll bridges within the jurisdiction of the Bay Area Toll Authority only if, at time of passage, the vehicle meets the passenger occupancy rate requirement established for that toll-free or reduced-rate passage.

(j) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 4. Section 21655.9 of the Vehicle Code is amended to read:

21655.9. (a) (1) Whenever the Department of Transportation or a local authority authorizes or permits exclusive or preferential use of highway lanes or highway access ramps for high-occupancy vehicles pursuant to Section 21655.5, the use of those lanes or ramps shall also be extended to vehicles that are issued distinctive decals, labels, or other identifiers pursuant to Section 5205.5 regardless of vehicle occupancy or ownership.

(2) A local authority during periods of peak congestion shall suspend for a lane the access privileges extended pursuant to paragraph (1) for those vehicles issued distinctive decals, labels, or other identifiers pursuant to Section 5205.5, if a periodic review of lane performance by that local authority discloses both of the following factors regarding the lane:

(A) The lane, or a portion thereof, exceeds a level of service C, as described in subdivision (b) of Section 65089 of the Government Code.

(B) The operation or projected operation of vehicles in the lane, or a portion thereof, will significantly increase congestion.

(b) A person shall not drive a vehicle described in subdivision (a) of Section 5205.5 with a single occupant upon a high-occupancy vehicle lane pursuant to this section unless the decal, label, or other identifier issued pursuant to Section 5205.5 is properly displayed on the vehicle, and the vehicle registration described in Section 5205.5 is with the vehicle.

(c) A person shall not operate or own a vehicle displaying a decal, label, or other identifier, as described in Section 5205.5, if that decal, label, or identifier was not issued for that vehicle pursuant to Section 5205.5. A violation of this subdivision is a misdemeanor.

(d) If the provisions in Section 5205.5 authorizing the department to issue decals, labels, or other identifiers to hybrid and alternative fuel vehicles are repealed, vehicles displaying those decals, labels, or other identifiers shall not access high-occupancy vehicle lanes without meeting the occupancy requirements otherwise applicable to those lanes.

(e) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 4.5. Section 21655.9 of the Vehicle Code is amended to read:

21655.9. (a) (1) Whenever the Department of Transportation or a local authority authorizes or permits exclusive or preferential use of

highway lanes or highway access ramps for high-occupancy vehicles pursuant to Section 21655.5, the use of those lanes or ramps shall also be extended to vehicles that are issued distinctive decals, labels, or other identifiers pursuant to Section 5205.5 regardless of vehicle occupancy or ownership.

(2) A local authority during periods of peak congestion shall suspend for a lane the access privileges extended pursuant to paragraph (1) for those vehicles issued distinctive decals, labels, or other identifiers pursuant to Section 5205.5, if a periodic review of lane performance by that local authority discloses both of the following factors regarding the lane:

(A) The lane, or a portion thereof, exceeds a level of service C, as described in subdivision (b) of Section 65089 of the Government Code.

(B) The operation or projected operation of vehicles in the lane, or a portion thereof, will significantly increase congestion.

(b) A person shall not drive a vehicle described in subdivision (a) of Section 5205.5 with a single occupant upon a high-occupancy vehicle lane pursuant to this section unless the decal, label, or other identifier issued pursuant to Section 5205.5 is properly displayed on the vehicle, and the vehicle registration described in Section 5205.5 is with the vehicle.

(c) A person shall not operate or own a vehicle displaying a decal, label, or other identifier, as described in Section 5205.5, if that decal, label, or identifier was not issued for that vehicle pursuant to Section 5205.5. A violation of this subdivision is a misdemeanor.

(d) If the provisions in Section 5205.5 authorizing the department to issue decals, labels, or other identifiers to hybrid and alternative fuel vehicles are inoperative, vehicles displaying those decals, labels, or other identifiers shall not access high-occupancy vehicle lanes without meeting the occupancy requirements otherwise applicable to those lanes.

(e) This section shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.

SEC. 5. Section 4.5 of this bill incorporates amendments to Section 21655.9 of the Vehicle Code proposed by both this bill and AB 2600. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2007, (2) each bill amends Section 21655.9 of the Vehicle Code, and (3) this bill is enacted after AB 2600, in which case Section 4 of this bill shall not become operative.

SEC. 6. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.